

# Monthly Report on the T&D System

For the Month of June 2022

July 18, 2022

# Contents

1.0	Mission, Goals and Areas of Responsibility	1
2.0	Monthly Sales Summary	1
3.0	Outage Summary	2
4.0	PREB Filings & Hearings	3
5.0	Legislative and Legal Matters	Ę
6.0	Material OMA Items 1	(



## 1.0 Mission, Goals and Areas of Responsibility

LUMA assumed operations of Puerto Rico's Transmission and Distribution System (T&D System) on June 1, 2021, with the mission to recover and transform the energy grid and deliver customer-centric, reliable, resilient, safe and sustainable electricity at reasonable prices for the 1.5 million customers LUMA is proud to serve. LUMA manages and operates the government-owned T&D Assets under the Transmission and Distribution Operating and Maintenance Agreement ("T&D OMA") executed on June 22, 2020, among the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A") and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA").

This report outlines LUMA's key activities for the month of June 2022.

## 2.0 Monthly Sales Summary

The information included in this report is based on **preliminary fuel data** provided by PREPA for June 2022 and it is subject to change.

- Consumption was higher in June both month over month (4.3%) and year over year (11.9%).
- Billed sales in June decreased 2.1% from the previous month and increased 25.1% compared to the same month a year ago. The base rate was the main driver of the decrease in June over May, caused by the reduction in the consumption of Commercial and Industrial classes.
- Fuel costs for PREPA's generation facilities and EcoEléctrica are substantially higher compared
  to the same month last year due to increased global market prices and updated supply contract
  terms. These costs are reflected in higher Fuel Adjustment Clause in rates compared to last year.

Table 2-1. Energy billed by customer segment<sup>1</sup>

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 June	663.8	666.1	137.2	22.6	2.4	3.2	1,495.3
2022 May	533.1	694.3	178.5	22.4	2.1	3.1	1,433.5
2021 June	582.8	600.1	126.0	22.7	2.6	2.1	1,336.3

Table 2-2. Energy sales by rate component<sup>1</sup>

Energy Sales (\$M)	Base	FCA <sup>2</sup>	PPCA <sup>3</sup>	CILT & Subsidies <sup>4</sup>	Total
2022 June	92.2	249.2	46.7	21.3	409.4
2022 May	115.9	235.4	45.7	21.1	418.1
2021 June	91.1	188.2	28.4	16.9	324.6



Table 2-3. Energy sales by customer segment<sup>1</sup>

Energy Sales (\$M)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 June	175.8	184.2	38.4	9.4	0.7	0.9	409.4
2022 May	144.6	205.1	47.9	19.1	0.6	0.8	418.1
2021 June	134.7	150.4	29.6	8.7	0.6	0.6	324.6

#### Footnotes

- 1: As billed.
- 2: FCA: Fuel Charge Adjustment
- 3: PPCA: Purchased Power Charge Adjustment
- 4: CILT: Contribution In Lieu of Taxes

## 3.0 Outage Summary

#### **Reported Events**

- No Emergencies or Major Outage Events were recorded in June 2022.
- Several forced outages occurred throughout the month that resulted in load shed events.

**Table 3-1: Significant Generation Outages** 

Date	Description of outage
06/01/2022	San Juan 7: Planned Outage
06/02/2022	Palo Seco 3: Derated
06/03/2022	Palo Seco 3: Forced Outage and Loadshed
06/04/2022	San Juan 6: Derated
06/06/2022	Palo Seco 3: Derated
06/07/2022	Palo Seco 4: Derated
06/08/2022	Costa Sur 6: Derated AES 1: Derated
06/09/2022	Costa Sur 6: Derated AES 1: Derated AES 2: Derated
06/10/2022	San Juan 6: Derated
06/11/2022	San Juan 6: Planned Outage Palo Seco 4: Derated
06/12/2022	Palo Seco 4: Derated Costa Sur 5: Forced Outage Costa Sur 6: Forced Outage and Loadshed
06/13/2022	Costa Sur 6: Derated
06/15/2022	Palo Seco 4: Derated San Juan 6: Forced Outage
06/16/2022	Costa Sur 5: Derated Costa Sur 6: Derated
06/17/2022	AES 2: Derated



06/19/2022	Palo Seco 2: Derated
06/20/2022	Palo Seco 4: Derated
	San Juan 6: Derated
	San Juan 7: Derated
06/21/2022	Palo Seco 4: Derated
	San Juan 7: Derated
06/22/2022	Aguirre 2: Derated
00/22/2022	Cambalache 2: Forced Outage
06/23/2022	Palo Seco 3: Derated
00/23/2022	Palo Seco 4: Derated
	Mayaguez 4: Forced Outage
00/05/0000	AES 1: Derated
06/25/2022	7.20 11 2014104
	AES 2: Derated
	San Juan 5: Did not return to service
	Palo Seco 3: Derated
06/27/2022	Cambalache 2: Forced Outage
06/28/2022	Palo Seco 3: Derated
06/29/2022	Palo Seco 4: Derated
00/00/0000	Aguirre 1: Did not return to service
06/30/2022	Camblacahe 2: Forced Outage

#### **Table 3-2: Significant Transmission Outages**

• No significant transmission outages occurred during the month of June 2022.

## 4.0 PREB Filings & Hearings

As part of LUMA's commitment to transparency, LUMA participated in and supported discussions with the Energy Bureau across a broad range of topics. LUMA has been actively involved in supporting the Energy Bureau's independent coordinator, ACCION Group, for Tranche 2 of the renewable procurement process.

- NEPR-AP-2020-0025 | LUMA's Performance Metrics On June 23, 2022 LUMA filed an opposition to LECO's motion requesting imposition of penalties in LUMA's performance-based mechanism. Also, on June 23, 2022, LUMA submitted a response to LECO's reply opposing LUMA's motion to strike portions of the supplemental expert testimony of Agustin Irizarry-Rivera and reiterated its petition to the Energy Bureau.
- <u>NEPR-MI-2019-0007</u> | Performance Metrics On June 20, 2022 LUMA submitted the Performance Metrics Quarterly Report to the Energy Bureau.
- NEPR-MI-2021-0013 | Electric Vehicles On June 15, 2022, LUMA filed The Compliance
  Technical Hearing Materials in connection with the Draft Rate Design Proposal and the
  preparation of the draft Phase I EV Plan. On June 15, 2022, the 2nd Compliance Hearing on
  Electric Vehicles Charging Infrastructure was held. During the Compliance Hearing with the
  PREB and its consultants, the filing of the Draft Electric Vehicle Rate Design Proposal was
  discussed. On June 27, 2022, LUMA filed a motion requesting confirmation on matters



- addressed in the Compliance Technical Hearing held on June 15, 2022 and stay of order establishing deadline to submit revised EV Rate Design Proposal.
- NEPR-MI-2021-0006 | Demand Response/Energy Efficiency On June 21, 2022, LUMA filed the DR EE transition period plan. On June 29,2022, the Demand Response/Energy Efficiency Stakeholder Workshop was held. LUMA presented the Transition Period Plan (TPP) and answered questions from the PREB, PREB Consultants and other participants regarding the filed plan.
- NEPR-MI-2021-0009 | PR Cost Test On June 22, 2022, the Technical Conference on Avoided Cost Results was held. PREB Consultants presented the Avoided Cost Results and LUMA proceeded to present questions and concerns regarding the presented results. On June 29, 2022, LUMA filed the Solar Energy Generation and Storage Price Data in Compliance with PREB's Bench Order issued during the Technical Conference held on June 22, 2022.
- <u>NEPR-MI-2020-0001</u> | Streetlight Report On June 10, 2022, LUMA presented the progress of the streetlight program and mentioned the beginning of FEMA funding on the program for Adjuntas and Maunabo.
- <u>NEPR-MI-2019-0016</u> | **DG Interconnection –** On June 2, 2022, LUMA submitted a Motion in response to PREB's Request for Information after the technical conference held May 18, 2022, as well as the revised spreadsheet of the Interconnections Progress Report.
- NEPR-MI-2021-0004| LUMA's Initial Budgets On June 1, 2022, LUMA filed a motion submitting proposed agenda for the Fiscal Year 2023 Annual Budget Virtual Technical Conference that would be held on June 10, 2022. On June 3 and June 7, 2022, LUMA filed responses to the May 19<sup>th</sup> Order in compliance to PREB's request for information regarding FY2022 first, second, and third quarterly reports and FY2023 proposed budget. On June 3, 2022, LUMA also filed FY2022 Annual Budget amendment to request modifications in LUMA's executed and remaining expenditures for the current approved FY2022 budget. On June 10, 2022, LUMA participated in a virtual technical conference to present the Annual Budget scope and activities for the fiscal years 2023, 2024, and 2025. On June 16, 2022, LUMA filed a motion in compliance with Order of June 15th, 2022 Annual Budgets consolidation certification to inform the status of negotiations relating to Generation Budget and inform that the parties were unable at that time to provide revision to the 2023-2025 Annual Budgets.
- NEPR-MI-2021-0002 | Federal Funding On Jun 1, 2022, LUMA submitted four FEMA approvals of the Transmission Substation Rebuilds, Distribution Line Rebuild (2) and the Distribution Streetlighting T&D projects. On June 9, 2022, LUMA submitted one approval of the Distribution Line Rebuild T&D projects. On June 17, 2022, LUMA submitted the current 90-Day Plan. On June 18, 2022, LUMA submitted four FEMA approvals of the Distribution Line Rebuild, Transmission Substation Rebuilds (2), and the FAASt Equipment and Materials' project.
- <u>NEPR-MI-2021-0001</u> | System Operation Principles On June 30, 2022, LUMA filed a motion submitting load forecast procedures and long-term load forecast review (including current state assessment and future methods).
- NEPR-MI-2020-0001 | Permanent Rate On June 23, 2022, LUMA filed the calculated FCA and PPCA factors for July to September 2022, and the CILT and Subsidies riders for FY 2023. LUMA attended the associated Technical Conference. On June 29, 2022, the Energy Bureau approved new FCA and PPCA factors deferring \$19.3 million due to the used of Diesel and Bunker C instead of Natural Gas in San Juan and Costa Sur. The CILT and Subsidies factors were approved.



## 5.0 Legislative and Legal Matters

- Monitoring legislative activity, responding to requests for comments and preparing LUMA employees for public hearings is an important and significant responsibility, requiring multiple interactions with members and staff of the Puerto Rico Senate and House of Representatives over the course of many weeks and months on some occasions.
- Responding to these inquiries requires considerable resources and time from LUMA.

Table 5-1: Summary of Requests for Comments or Legislation Filed in the Puerto Rico Senate or House of Representatives

Committee	Bill or Resolution	Requesting Comments On or Filed	LUMA Response or Legislation Title
Senate Committee on Agriculture and Natural Resources	Senate Bill 88	June 3, 2022	SB88 is intended to establish the "Vegetative Planting in the Electricity Easement Strips and Highways of the Government of Puerto Rico Act", to adopt the distance for planting trees in the vicinity of electricity transmission and distribution lines on the edge of Puerto Rico's right-ofway; to establish delegation of powers, prohibitions, and penalties; and for other purposes.  On June 3, 2022, LUMA received a request for comments from the Committee regarding SB88.
House Committee on Transportation, Infrastructure and Public Works	House Bill 1381	June 6, 2022	HB1381 amends articles 3, 6, 7; eliminates subsection (c) of article 3; renumber the current subsections (d), (e), (f), (g) and (h), as subsections (c), (d), (e), (f) and (g) respectively, and adds a new subsection (h) to Section 3 of Act 33 of June 27, 1985, as amended, known as the "Act to Establish Minimum Procedures Required for the Suspension of Essential Public Services", in order to include in the law, the Participatory Public-Private Partnerships and to simplify the steps of the appeals process of any bill; and for other related purposes.  On June 6, 2022, LUMA received a request for comments from the Committee regarding HB1381.
House Committee on Transportation, Infrastructure and Public Works	House Resolution 179	June 8, 2022 (1st Request)	Orders the Committee on Transportation, Infrastructure and Public Works of the House of Representatives to conduct a comprehensive investigation, of an ongoing nature, on all matters related to



			the design, investigation, programming, construction, and use of road and mass transportation systems, whether by air, land, or sea; the operation and performance of the Department of Transportation and Public Works, the Integrated Transportation Authority, the Highways and Transportation Authority, the Metropolitan Bus Authority, the Maritime Transportation Authority, the Ports Authority, and the Traffic Safety Commission.  On June 15, 2022, LUMA submitted to the Committee the requested information
			regarding luminaries' repairs.
Puerto Rico Department of Justice	Legislative investigation concerning Bahía de Jobos in Salinas	June 10, 2022	On <b>June 10, 2022</b> , LUMA submitted the documents required by the PRDOJ through 2 subpoenas received on May 26, 2022, related to the Bahía de Jobos, Salinas' legislative investigation.
Senate Committee on Community Initiatives, Mental Health & Addition	Senate Resolution 77	June 13, 2022	Orders the Committee on Community Initiatives, Mental Health and Addiction to conduct ongoing research on the various problems and threats affecting the sustainability and development of communities, in its broadest definition, throughout Puerto Rico; as well as to conduct ongoing research on prevention programs, services, and public policy related to homelessness, mental health, and problematic substance use in Puerto Rico.
			On <b>June 13, 2022</b> , LUMA received request for information, regarding a legislative investigation of the Bayamon Correctional Center for Women.  On <b>June 16, 2022</b> , LUMA delivered to the Committee the requested information.
Senate Committee on Innovation, Telecommunications, Urbanism, and Infrastructure; and the Special Committee on Eradication of Poverty	Senate Resolutions 110, 295 y 465	June 14, 2022	LUMA was summoned to address and assess the needs of several special communities in Arecibo regarding the T&D System.  The Committees summoned LUMA to onsite public hearings to be held on July 12 and 13, in Arecibo.



House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy	House Resolution 446	June 15, 2022	The HR446 orders an ongoing investigation on all matters related to the performance, execution, and compliance of LUMA Energy with the obligations assumed in the public-private partnership agreement with the Puerto Rico Electric Power Authority, and for other related purposes.  On June 15, 2022, LUMA received a request for production of documents.  On June 21, 2022, LUMA delivered to the Committee 5,364 pages in response to the information requested.
Senate Committee on Economic Development, Essential Services and Consumer Affairs	House Bill 1381	June 23, 2022	HB1381 is intended to amend articles 3, 6, 7; to eliminate subsection (c) of article 3; To renumber the current subsections (d), (e), (f), (g) and (h), as subsections (c), (d), (e), (f) and (g) respectively, and to add a new subsection (h) to Section 3 of Act 33 of June 27, 1985, as amended, known as the "Act to Establish Minimum Procedures Required for the Suspension of Essential Public Services", to include in the law, the Participatory Public-Private Partnerships and to simplify the steps of the appeals process of any bill; and for other related purposes.  On June 23, 2022, LUMA received a request for comments from the Committee concerning HB1381.
House Committee on Finance and Budget	Joint House Resolution 354	June 29, 2022	To order the Puerto Rico Electric Power Authority to apply the residential rate to micro, small and medium-sized companies for a period of one hundred and eighty days (180) from the effective date of this Joint Resolution; the Government of Puerto Rico is hereby ordered to take the necessary steps to subsidize the adjustments ordered in this Joint Resolution by means of funds corresponding to the American Rescue Plan Act; and other related purposes.  On June 29, 2022, LUMA received a request of comments regarding JHR354.
House Committee on Transportation, Infrastructure and Public Works	House Resolution 179	June 29, 2022 (2nd Request)	On <b>June 29</b> , <b>2022</b> , the Committee requested information regarding the status of various complaints within the



House Committee on Transportation, Infrastructure and Public Works	House Resolution 179	June 29, 2022 (3rd Request)	Representative District; specifically, in Alturas de Beatriz Sector in Cayey.  On <b>June 29</b> , <b>2022</b> , the Committee requested information regarding the status of various complaints within the Representative District; specifically, in Cercadillo Sector in Cayey.
House Committee on Development and Control of Public Funds of the Northeast Region	Joint House Resolution 344	June 30, 2022	Orders the Puerto Rico Electric Power Authority, including its managing entity Luma Energy, LLC, and Luma Energy, LLC, and Luma Energy, LLC, and Luma Energy Servco, LLC, to design and build transmission, sub transmission, and to design and construct electric power transmission, sub transmission and distribution facilities for the benefit of the distribution facilities of the communities of Villa Hugo I, Villa Hugo II and Valle Hill in the Municipality of Canóvanas, in accordance with the regulations, technical codes, standards, construction pattern and to establish that this infrastructure work will be paid for with existing resources.  On June 30, 2022, the Committee requested comments regarding the JHR.

Table 5-2: Material Litigation Activity<sup>5</sup>

Case No.	Party Names	Description	Significant Updates
Adv. Proc. No. 21- 00041	UTIER v. Pierluisi et al.	Plaintiffs are requesting the annulment of the OMA because they claim that it violates the Contracts Clause and does not comply with Act 120-2018, given that it allegedly does not recognize UTIER's collective bargaining agreement.	The Court has not yet ruled on the pending Motion to Dismiss.
Adv. Proc. No. 21- 00049	SREAEE v. PIERLUISI et al.	Similar claims to 21-00041. In addition, alleges that the OMA	The Court has not yet ruled on the pending Motion to Dismiss.



Case No.	Party Names	Description	Significant Updates
		violates ERISA and would damage the SREAEE due to lack of funds.	
Case No. KLRA202100406	In re Revisión de los Términos de Servicio de LUMA	ICSE seeks order to annul and overturn PREB's approval of Modified Terms of Service and Liability Waiver. They argue the waiver is an infringement of PR's Civil Law tradition.	Petitioner did not request reconsideration and represented before the Puerto Rico Energy Bureau that it will not seek recourse from the Puerto Rico Supreme Court. On April 11, 2022, Petitioner filed a Motion requesting Adjudicative Procedure before the PREB and a Motion requesting Investigation and Relief, On April 14, 2022, PREB granted said motions and initiated an adjudicative proceeding regarding the Modified Terms of Service and notified the parties that a procedural itinerary would be issued.
SJ2022CV02868	Ismael Herrero Domenech and the class composed of all residential electrical energy consumers that are customers of LUMA Energy LLC v. LUMA Energy LLC,	Plaintiffs filed a class action claim seeking over \$125 million the damages allegedly suffered by residential customers as a result of the April 6, 2022, incident that provoked a large-scale blackout in Puerto Rico	The case was transferred from the San Juan to the Ponce Court on May 9, 2022. On May 13, 2022, the plaintiffs requested that this case be consolidated with the Wendco case. On May 17, 2022, the Court entered an order consolidating both cases as requested. LUMA has not been served.
SJ2022CV03139	Wendco of Puerto Rico, Inc.; MultiSystem Restaurant, Inc.; Restaurant Operators, Inc.; Apple Caribe, Inc.; todos por sí y en representación de	Plaintiffs are commercial and residential customers who claim to have	The case was transferred to the Ponce Superior Court on May 12, 2022. On May 17, 2022, the



Case No.	Party Names	Description	Significant Updates
	todos los Comerciantes que hacen negocios en el Estado Libre Asociado de Puerto Rico y son abonados de LUMA Energy LLC (la Clase A); Manuel Couvertié Barrera por sí y en representación de todos los abonados residenciales de LUMA Energy, LLC denominados como (la Clase B) v. LUMA Energy LLC	suffered \$400 million in economic and equipment losses as a result of the April 6, 2022, incident and LUMA's alleged failure to improve an obsolete electrical grid, inspect and eliminate deteriorated poles, clear vegetation, and replace equipment identified as critical to the stability of the grid.	Ponce Court consolidated this case with the Herrero case at the requests of plaintiffs in the Herrero case. LUMA has not been served.

#### Footnote

5: Material Litigation Activity refers to all litigation related to challenges to the OMA, matters that could impede the OMA work or litigation with significant financial risk. This does not include ordinary litigation proceedings that originate as part of the operation of the T&D System, including but not limited to pre-litigation dispute resolution, management of active litigation, discovery, PREB invoice challenges, and other litigation procedures.

### 6.0 Material OMA Items

#### PREPA's Compliance with OMA:

On June 29, 2022, LUMA issued a letter to PREPA stressing the critical importance of PREPA meeting all of its obligations set out in the T&D Contracts and of PREPA working cooperatively with LUMA in relation to the operation and maintenance of the T&D System. LUMA cited numerous examples of PREPA's ongoing conduct and interference with LUMA's mandate under the T&D Contracts as the Operator of the T&D System and the exclusive provider of O&M Services.

#### PREPA Reorganization and Title III Exit:

- On May 17, 2022, LUMA issued a letter to PREPA expressing its deep concern with the slow pace of progress of the PREPA reorganization and highlighted the need for the PREPA Governing Board to approve the plan of reorganization and the PREPA-GenCo-HydroCo Operating Agreement ("GGHOA"), Legacy Generation Assets Interconnection Agreement ("LGAIA") and Agreed Operating Procedures ("AOP") in the same form as agreed to by the Parties in December 2021.
- LUMA continues to wait for PREPA to submit the PREPA Reorganization plan for approval to the PREB. This plan was finalized in December 2021.
- Judge Swain designated a mediation team appointed to facilitate mediation over a PREPA plan of adjustment. The deadlines for this process have been adjusted.
- FY2023 Budget Process and Generation Allocation



- o In compliance with PREB's order and the T&D OMA, on April 1, LUMA submitted a consolidated FY2023 budget to P3A and separately to PREB. The budget included an equitable allocation of total available revenues to PREPA based on historical trends, aligning with approaches used in previous PREPA Certified Fiscal Plans and the approved FY2022 Budget, and within the limit determined in PREB's 2017 Rate Order.
- Due to lower projected revenues based on FOMB's macroeconomic forecast and in order to remain fiscally prudent, LUMA's proposed FY2023 budget for T&D expenses funded by rates was \$22 million lower compared to FY2022. PREPA did not conform to the Generation and HoldCo limits proposed by LUMA, and in fact sent to LUMA for consolidation a budget that was cumulatively\$91 million over the limit for PREPA activities. Leading to April 1, LUMA held multiple discussions with PREPA in order to align the budgets, but PREPA would not lower its budget to reasonable levels, given the fiscal constraints and the desire to not increase the base rate to customers. Instead, PREPA insisted that LUMA lower its budget an additional amount (which would have reduced LUMA's budget by approximately 17% or \$113 million from FY2022. Such a drastic reduction would prevent LUMA from carrying out the System Remediation Plan and other responsibilities under the OMA.
- PREPA's political posturing resulted in weeks of additional presentations and negotiation with P3A and FOMB. LUMA appreciates the efforts of P3A and FOMB to reach a reasonable consolidated budget. While the resulting FY2023 Certified Budget included the amounts proposed for LUMA's T&D Expenditures, much time and effort were spent unnecessarily due to PREPA's intransigence and refusal to engage constructively earlier in the process. In addition, LUMA's process with PREB was severely disrupted, creating additional regulatory uncertainty. In the FY2023 Certified Budget, due to revised high level assumptions made by FOMB, PREPA still received a significantly higher budget than it had for FY2022.
- Coupled with many violations of the T&D OMA and PREPA's delays in concluding the GGHOA consistent with a required Plan of Reorganization, PREPA's actions on the budget contribute to a pattern by PREPA of non-compliance with the T&D OMA and an atmosphere of increasing contractual and regulatory uncertainty that is counterproductive to compliance with the T&D OMA and to the Puerto Rico public policy of transformation of the electric sector.

#### PREB directives on Allocation of Generator Network Upgrade Costs to LUMA's Budget

- On June 13, 2002, PREB issued a Resolution and Order in NEPR-MI-2020-0012, ordering LUMA "to proceed with the transmission system network upgrade projects needed to support the Tranche 1 selected resource, and to fund these projects from the Non-Federally Funded Capital Budget as needed [,] employing procurement processes that follow federal procurement guidelines, with such expenditures to be offset by federal funds as soon as such funds become available."
- LUMA filed a motion of reconsideration and request for a stay to the PREB, in particular concerning PREB's decision—undertaken with no discussion or consideration of evidence—to allocate certain interconnection costs caused by generation projects being procured as part of Tranche 1 of the Request for Proposal for renewable energy.



- LUMA informed PREB that it has grave concerns due to the potential negative impacts to reliability and resilience of the system and increased costs to customers if these directives are carried out.
- The decision may also result in LUMA's inability to meet certain Performance Metrics about PREB's directive and that PREB's order, if maintained, would require a fundamental change in LUMA's capital expenditures for Fiscal Years 2023 and 2024, including the elimination or delay of programs included in LUMA's Annual Budgets submitted to P3A. PREB's decision allocates specific generation costs to LUMA's Capital Budgets and has the potential to delay the System Remediation Plan (SRP) and therefore delay LUMA's ability to operate according to Prudent Utility Practice. The directive also has negative impacts on the on-going energy procurement process and will impede compliance with PREPA's certified Fiscal Plan.

